

RE: HB 4034
Testimony of John Sajo
February 3, 2020

I urge you to reject HB 4034. This bill would be nearly the final nail in the coffin of access to medical marijuana for low income patients in Oregon. While legalization has dramatically increased access to marijuana for healthy adults and patients with money, thousands of patients simply cannot afford to buy their medical marijuana at OLCC stores. For over two decades, low income patients have been able to designate a grower to produce their medical marijuana for them. At the peak of the program a few years ago over 77,000 patients qualified. If 30,000 of those patients received 24 ounces valued at \$100, this amounts to \$72,000,000 worth of medicine given to needy patients at no cost to taxpayers. HB 4034 would destroy this successful program and cost Oregon taxpayers millions of dollars.

Any OMMP grower for more than 2 patients is already tracked in Metrc. Moving administration of these growers entirely to OLCC will not reduce diversion or any other problem, it will destroy the OMMP.

While the idea of tight regulation and careful tracking may seem reasonable at first, a deeper analysis reveals numerous flaws. Metrc is extremely expensive for participants. My estimate is that Oregon cannabis businesses spend \$100 million annually on Metrc. But there is little evidence that it reduces diversion. The OMMP growers affected by HB 4034 can only cultivate 48 mature plants. That takes a fraction of an acre. Collectively, all these gardens are probably less than 50 acres. Meanwhile OLCC producers may be cultivating over 1000 acres. Oregon hemp farmers, many who have never been inspected, cultivated over 60,000 acres. I respectfully suggest that focusing on the remaining OMMP gardens that help low income patients is misguided.

One reason that there is diversion, commerce outside the regulated system, within Oregon is that the unregulated market offers prices substantially below prices in the regulated market. That is a sure sign of over regulation. Legislators should consider that reducing reliance on the Metrc system will lower costs to licensees, resulting in lower prices in legal stores, which will result in less diversion. HB 4034 is a move in the wrong direction and should be rejected.

Metrc tracking for OMMP growers is substantially more difficult than for OLCC producers who are supplying the recreational market. OMMP growers who have been designated by a handful of patients are acting as nonprofits that help these patients obtain their medical marijuana products when there is no other way for the patients to do so. OHP, Medicare, or private insurance NEVER pay for patients' medical marijuana, even in cases where they pay hundreds of thousands of dollars in other health care costs for these patients. Metrc tracking for OMMP growers requires them to track everything an OLCC producer does, including the wet weight and the waste generated by every plant. Every strain must be tracked separately so if a grower is experimenting with different strains for their patients, this magnifies the Metrc work exponentially. OLCC licensees just hire an employee to handle all the Metrc work, often a full time employee. OMMP growers can't do that. We aren't allowed to sell any marijuana to cover expenses so the grower must do all the work. For me that has meant hundred of frustrating hours, minimal training or technical support and the nightmare of being forced to use the slowest most cumbersome software ever. Last year OHA/OLCC added the requirement that OMMP growers also track which patient "owns" each plant. Every plant must be tagged with a Metrc tag, just as OLCC producers must, but every OMMP plant must also be tagged with the name and OMMP registration number of the patient who owns the plant and the OMMP grower

they designated to grow it. This patient ownership tracking through Metrc also magnifies the workload exponentially and creates a problem if a patient mistakenly allows their registration to temporarily expire while the plants are growing.

What does all this extra tracking have to do with diversion? Nothing.

What does all this tracking do for the patients? Nothing.

Patients do not care about who owns which plant, they care about getting an adequate supply of the best medicine they can obtain safely and conveniently and at a cost they can afford. My patients all agree to share freely among themselves so that each patient can try more strains than they can grow themselves. The ownership of the medical marijuana was originally introduced to protect patients from unscrupulous growers but now it is being used by OHA/OLCC to make patient's lives more difficult.

These fatal flaws with the Metrc system as applied to OMMP growers continue with the way transfers to patients are tracked. As an OMMP grower I was excited that the Metrc software would carefully track exactly what medical marijuana each of my patients received. However, I discovered that the system, as interpreted by OHA/OLCC was not designed to track what medicine a patient receives, it was designed to track what they "own." This is so flawed that it makes the entire process of tracking transfers to patients nearly worthless. For twenty years cooperative OMMP gardens have distributed the medicine a garden produces equitably, with each patient getting a fair share. For example, if the garden tries a new strain, say GG4, all eight patients might get some of the medicine that plant produced, even though the plant was only owned by one patient. Every patient agrees to this structure and every patient benefits. Another situation to consider is what happens if all six plants grown for one patient die? Should that patient receive nothing while other patients receive more than they need. Of course not. These rules and Metrc tracking should be reconsidered.

What if a coop OMMP garden makes RSO/FECO, a cannabis concentrate used orally that many patients believe helps cure cancer and is useful for many ailments? If one patient takes a pound of marijuana and makes it into 100 grams of RSO that is shared among the garden's patients Metrc only tracks that one patient received the marijuana and ignores the transfers of the RSO.

Metrc tracking for OMMP gardens should track the medicine that patients actually receive. That would eventually allow the data to be used in research designed to determine the most effective treatment plans and appropriate dosages for different conditions. Instead of tracking useful information, Metrc tracking obscures real information, tracks nonsense, and does so in a cumbersome expensive way that drives OMMP growers and patients out of the program.

HB 4034 seeks to move OMMP growers into management by the OLCC instead of by OHA. This will be a complete failure that will lead to the elimination of OMMP designated growers and consequently more patients dropping out of the OMMP program because they cannot grow for themselves, cannot find a grower, and cannot afford to buy their medical marijuana from OLCC stores. The OLCC already has numerous rules in place that will prevent most OMMP gardens from complying. An agency created to maximize revenue from alcohol is not the appropriate agency to regulate supplying medicine to low income patients.

OLCC has already been tasked with developing a pilot program for providing access to low income patients. I am skeptical of this given previous OLCC efforts in this direction. The "bump

up” program OLCC previously developed was a complete failure. The rules were so cumbersome only a handful of OLCC producers participated and it never worked. The OLCC ignored the needs of low income patients when they made rules prohibiting OLCC producers from donating directly to patients – even though these transactions could be carefully tracked in Metrc. Lots of OLCC producers had transitioned from being large OMMP growers, but when they did so the rules required that these patients be thrown under the bus. OLCC does not even take the most rudimentary steps to protect OMMP patients utilizing the OLCC stores. Last year OLCC reduced the amount any patient in Oregon could purchase at one time because one patient made suspicious purchases. This created an added burden for patients, particularly if they live far from the store. OLCC does not track how often OMMP patients do not receive the tax exemption they are qualified for. OLCC does nothing to prevent OLCC retailers from claiming they are offering patients a “discount” even though they are more accurately simply exempted from the sales tax. OLCC does not track how many of their retail stores have programs assisting patients. They are too busy tracking the wet weight of millions of marijuana plants to track whether there is any effective assistance to help the most needy patients obtaining medical marijuana products. OLCC has a long record of promulgating rules that hurt patients and no successes in helping them.

Medical marijuana in Oregon parallels the problems with income inequality in society at large. Patients with money are better off than ever. They can obtain thousands of quality controlled products at hundreds of locations. Many don’t even bother to obtain an OMMP card because it is no longer necessary. Low income patients, on the other hand, are seeing their ability to obtain medical marijuana diminish. The growers that they could previously designate to help them, at no cost to taxpayers, have ben driven out by skyrocketing costs and impossible rules.

A few years ago the Legislature created the Oregon Cannabis Commission to make recommendations about these issues. I served on the Patient Access Subcommittee where I spent many hours developing a plan that would supply needy patients from excess supply within the OLCC system. All advice from the OCC seems to be systematically ignored and now the OLCC is tasked with this same challenge.

The question is, “Are low income patients in Oregon going to have access to medical marijuana?”

The Oregon Legislature should answer this question, should do so in the light of day, and should be accountable to voters for their decisions. HB 4034 will kill a successful program that allows Oregonians to help each other at no cost to taxpayers. HB 4034 will deny thousands of patients access to medical marijuana. Please reject this misguided bill.

Thank you
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